



January 23, 2014

**VIA ECFS**

Ms. Marlene H. Dortch,  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, DC 20554

**RE:** GN Docket Nos. 12-268 & 13-185, Public Notice, *Wireless Telecommunications Bureau Seeks Comment on a Proposal to License the 600 MHz Band Using "Partial Economic Areas"*

Dear Ms. Dortch:

The undersigned competitive wireless service providers appreciate the Wireless Telecommunications Bureau's recent attention to the issue of the appropriate geographic size of licenses offered in the upcoming incentive auction of 600 MHz band spectrum.<sup>1</sup> Interested parties have urged the Commission to consider the many benefits associated with utilizing smaller geographic license sizes, such as Cellular Market Areas ("CMAs"),<sup>2</sup> and have submitted

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<sup>1</sup> See *Wireless Telecommunications Bureau Seeks Comment on a Proposal to License the 600 MHz Band Using "Partial Economic Areas,"* GN Docket Nos. 12-268, 13-185, Public Notice, DA 13-2351 (rel. Dec. 11, 2013) ("Public Notice").

<sup>2</sup> See, e.g., Letter from Ron Smith, President, Bluegrass Cellular, Inc. to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (filed July 10, 2013) ("Bluegrass Cellular will not participate in 600 MHz spectrum auction if FCC does not license the spectrum in small geographic areas, like CMAs."); Letter from Patrick D. Riordan, President and CEO, New-Cell, Inc. to Marlene Dortch, AU Docket No. 13-178, at 2 (filed Aug. 5, 2013) ("[If] Commission adopts EAs for its upcoming auctions, it will not be able to participate."); Letter from Terry Addington, Chief Executive Officer, SI Wireless LLC d/b/a MobileNation, *et al.* to Marlene Dortch, GN Docket No. 12-268 (filed Oct. 17, 2013); Letter from Slayton Stewart, Chief Executive Officer, Carolina West Wireless, Inc. to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Oct. 7, 2013); Letter from Counsel for Plateau Telecommunications, Inc. to Marlene H. Dortch, FCC GN Docket No. 12-268 (filed July 30, 2013); Letter from Counsel for Northwest Missouri Cellular L.P. to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed July 30, 2013); Letter from Counsel for Chat Mobility to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed

studies setting forth the technical and economic justifications for adopting smaller license sizes.<sup>3</sup> The record in this proceeding is also replete with evidence proving that the use of larger geographic license sizes, such as Economic Areas (“EAs”) would foreclose all but the largest carriers from participating in the auction.<sup>4</sup> The undersigned companies may similarly be deterred—if not outright foreclosed—from participating in the incentive auction if spectrum is sold on an EA basis.

The Commission’s Notice of Proposed Rulemaking for the incentive auction, however, proposes to license the 600 MHz band using EAs.<sup>5</sup> Competitive Carriers Association (“CCA”) has advocated that the Commission instead adopt CMAs as the appropriate geographic license size, but recently submitted an alternative proposal should the Commission initially determine that CMAs are *too small* of a license size to efficiently manage through the auction process.<sup>6</sup> CCA’s proposal (as currently drafted) would divide the United States and its territories and protectorates into 390 Partial Economic Areas (“PEAs”), a number larger than the 176 EAs, but less than the 734 CMAs.

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Aug. 8, 2013); Letter from Counsel for Sandhill Communications, LLC to Marlene H. Dortch, GN Docket No. 12-268 (filed Aug. 21, 2013); Letter from Counsel for VTel Wireless, Inc. to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Sept. 6, 2013); Letter from Counsel for Public Service Wireless Services, Inc. to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Sept. 18, 2013); Letter from Counsel for Atlantic Seawinds Communications, LLC to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Sept. 18, 2013); Letter from Jonathan Foxman, President & CEO, MTPCS, LLC d/b/a Cellular One to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Oct. 17, 2013); Letter from Counsel for N.E. Colorado Cellular, Inc. d/b/a Viaero Wireless to Marlene H. Dortch, FCC, GN Docket No. 12-268 (filed Dec. 9, 2013).

<sup>3</sup> William Lehr and J. Armand Musey, “Right-sizing Spectrum Auction Licenses: The Case for Smaller Geographic License Areas in the TV Broadcast Incentive Auction,” attached to *Ex Parte* Letter from Steven K. Berry, Competitive Carriers Association, to the Hon. Tom Wheeler, Chairman, Federal Communications Commission, GN Docket No. 12-268 (filed Nov. 20, 2013).

<sup>4</sup> See Comments of U.S. Cellular Corp, GN Docket No. 12-268, at 5 (Jan. 9, 2014) (“[L]icense areas larger than CMAs – particularly if they are as large as [EAs] – could prevent many small and regional carriers from participating in the auctions . . . .”); see also Comments of Public Service Wireless Services, Inc., GN Docket No. 12-268, at 2 (Jan. 9, 2014); Comments of Atlantic Telephone Membership Corp., *et al.*, GN Docket No. 12-268, at 2-3 (Jan. 9, 2014).

<sup>5</sup> *Expanding the Economic and Innovation Opportunities of Spectrum Through Incentive Auctions*, GN Docket No. 12-268, Notice of Proposed Rulemaking, 27 FCC Rcd 12357 (2012).

<sup>6</sup> Letter from Rebecca Murphy Thompson, Competitive Carriers Association, to Marlene Dortch, Secretary, FCC, GN Docket No. 12-268 (Nov. 27, 2013); Letter from C. Sean Spivey, Competitive Carriers Association, to Marlene H. Dortch, Secretary, FCC, GN Docket No. 12-268 (Dec. 23, 2013).

For the reasons set forth in CCA's supplemental comments in response to the Public Notice,<sup>7</sup> we support CCA's proposal to use PEAs as an alternative to EAs in the upcoming auction. While we continue to support CMAs as the optimal license size both for the incentive auction and any other upcoming auctions (*e.g.*, AWS-3), using PEAs will help retain some of the benefits CMAs would otherwise provide, most importantly promoting bidding opportunities for rural and regional carriers, thereby increasing competition in the auction room and maximizing auction revenue. Further, we urge the Commission to not unravel the benefits of smaller geographic license sizes by allowing for package bidding. The record sets out alternative means for the Commission to address the alleged problems package bidding seeks to solve—most prominently, the use of upfront, generally applicable spectrum aggregation limits.<sup>8</sup>

This *ex parte* notification is being filed electronically with your office pursuant to Section 1.1206 of the Commission's Rules.

*/s/ Michael Prior*

Michael Prior  
President and CEO  
Atlantic Tele-Network, Inc.

*/s/ Jonathan Foxman*

Jonathan Foxman  
CEO  
MTPCS, LLC d/b/a Cellular One

*/s/ Ron Smith*

Ron Smith  
President & CEO  
Bluegrass Cellular, Inc.

*/s/ Judd Hinkle*

Judd Hinkle  
COO  
Smith Bagley, Inc. LLC d/b/a Cellular One

*/s/ Pat Riordan*

Pat Riordan  
CEO & President  
New-Cell, Inc. d/b/a Cellcom

*/s/ Terry Addington*

Terry Addington  
CEO  
SI Wireless, LLC d/b/a MobileNation

*/s/ Ed King*

Ed King  
CFO  
Cellular Properties, Inc. d/b/a Cellular One

*/s/ Jon Lightle*

Jon Lightle  
President & CEO  
Nex-Tech Wireless, LLC

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<sup>7</sup> See generally Supplemental Comments of Competitive Carriers Association, GN Docket No. 12-268 (Jan. 9, 2014).

<sup>8</sup> See, *e.g.*, Comments of T-Mobile USA, Inc., GN Docket No. 12-268 at 6 (Jan. 9, 2014).

cc (via email): Mr. Gary Epstein  
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